

**BEFORE THE  
FEDERAL ELECTION COMMISSION**

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COMMISSION  
OFFICE OF GENERAL  
COUNSEL

2009 DEC -3 A 11: 03

Darcy Burner for Congress  
P.O. Box 1090  
Carnation, WA 98014-1090

Complainant,

v.

Friends of Dave Reichert  
P.O. Box 53322  
Bellevue, WA 98015,

MUR # 6141

Media Plus+, Inc.  
160 Roy St  
Seattle, WA 98109,

Respondent.

**COMPLAINT**

I am the Campaign Manager for Darcy Burner for Congress ("Complainant") and write to file this complaint under 2 U.S.C. § 437g(a)(1) against Friends of Dave Reichert and Media Plus+, Inc. ("Respondents") for multiple violations of the Federal Election Campaign Act, as described below.

**A. FACTS**

Dave Reichert is a candidate for the United States House of Representatives in Washington's Eight Congressional District and operates through his campaign committee, Friends of Dave Reichert ("Reichert Campaign"). Media Plus+, Inc. ("Media Plus") is a media consulting and buying firm incorporated under the laws of Washington. The Reichert Campaign has retained Media Plus to purchase advertising time on at least three local and several cable TV stations.

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The Reichert Campaign reported \$1.19 million cash on hand at the start of October 2008 and purchased approximately \$675,000 in advertising time from October 6-19, 2008. On information and belief, Complainant alleges that Media Plus then arranged to purchase approximately \$1.1 million in additional advertising time for the Reichert Campaign to air October 20 through November 4, 2008. These purchases of approximately \$1.78 million appear to be at least \$580,000 more than the Reichert Campaign had on hand. Stations extended credit to Media Plus, and will not require payment from Media Plus until the end of the month. Thus, on information and belief, Media Plus has extended credit in the amount of at least \$580,000 and possibly more than \$1.1 million, to the Reichert Campaign.

FEC records indicate that the Reichert Campaign does not (and likely will not) have cash on hand to pay for the loans. Indeed, his Campaign raised less than half of the recent \$1.1 million purchase during all of last quarter and had already spent \$675,000 by October 20, 2008. Complainants allege that Media Plus extended the Reichert Campaign far more credit than would be commercially reasonable in its normal course of business.

**B. LEGAL ARGUMENT:**

**1. Media Plus May Have Given, and the Reichert Campaign May Have Received, Excessive Contributions from a Prohibited Source.**

The Federal Election Campaign Act limits the amount of money that any person may contribute to Federal candidates. 2 U.S.C. § 441a(a). It is illegal for any person to contribute, and for any candidate to receive, contributions in excess of \$2,300 per election. *Id.* FECA also prohibits corporations from making contributions or expenditures in connection with Federal elections. 2 U.S.C. § 441b(a).

Under FECA, loans are generally considered by default to be contributions. 2 U.S.C. § 431(8)(A); 11 C.F.R. § 100.52(a). The Act, however, creates two exceptions to this rule: (1) loans by a State bank, a federally chartered depository institution or a depository institution

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whose deposits are insured by the FDIC or NCUA, 11 C.F.R. § 100.82; and (2) "loans of money derived from an advance on a candidate's brokerage account, credit card, home equity line of credit, or other line of credit," *id.* § 100.83. To qualify under the second exception, a loan must be (a) made in accordance with applicable law, (b) made under commercially reasonable terms, and (c) the person making the loan must make such loans in the ordinary course of business. *Id.*

Under the facts alleged above, the extension of credit that Media Plus granted to the Reichert Campaign is impermissible for one of two reasons. First, Media Plus may not normally grant credit like this to its non-political clients. Thus, the extension would not have been made in the normal course of business. Second, the evidence indicates that the extension of credit was commercially unreasonable – the Reichert Campaign did not have the necessary cash on hand and did not raise enough money in the previous quarter to repay the loan. It would be commercially unreasonable for Media Plus to make such a high-risk loan to a campaign on the verge of losing an election.

If the extension of credit that Media Plus granted to the Reichert Campaign was either (1) not made in the normal course of its business or (2) commercially unreasonable, Media Plus has made, and the Reichert Campaign has received, an excessive contribution from a prohibited source in violation of FECA. The Commission should immediately investigate whether these violations occurred.

## **2. The Reichert Campaign May Have Failed to Properly Report Contributions**

Political committees must report all receipts and expenditures to the Commission.

2 U.S.C. § 434. If Media Plus made a contribution to the Reichert Campaign, the campaign was obligated to report it. It has not done so.

**C. REQUESTED ACTION**

As we have shown, there is evidence that Respondents have violated the Federal Election Campaign Act. We respectfully request the Commission to investigate these violations, including (1) whether Media Plus extends credit to its customers in the normal course of business, and (2) whether Media Plus extended credit to the Reichert Campaign on a commercially reasonable basis. Should the Commission determine that Respondents have violated FECA, we request that Respondents be enjoined from further violations and be fined the maximum amount permitted by law.

Sincerely,



Derek Humphrey

SUBSCRIBED AND SWORN to before me this 22nd day of October, 2008.



Notary Public

My Commission Expires:

10/16/09



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